

APR 6 1944

CHARLES ELMORE GROFLEY  
CLERK

IN THE

**Supreme Court of the United States**

OCTOBER TERM, 1943.

No. [REDACTED] 50

THE DOW CHEMICAL COMPANY, A CORPORATION,  
*Petitioner,*

*vs.*

HALLIBURTON OIL WELL CEMENTING  
COMPANY, A CORPORATION,  
*Respondent.*

**PETITION FOR WRIT OF CERTIORARI.**

RUSSELL WILES,  
WILBER OWEN,  
*Counsel for Petitioner.*

CHRITTON, WILES, DAVIES, SCHROEDER & MERRIAM,  
Board of Trade Building,  
Chicago, Illinois,

OWEN & OWEN,  
Nicholas Building,  
Toledo, Ohio,

CALVIN A. CAMPBELL,  
DON L. CONNER,  
Midland, Michigan,  
*Attorneys for Petitioner.*

April 4, 1944.

IN THE  
**Supreme Court of the United States**

OCTOBER TERM, 1943.

---

No. ....

---

THE DOW CHEMICAL COMPANY, A CORPORATION,  
*Petitioner,*

*vs.*

HALLIBURTON OIL WELL CEMENTING  
COMPANY, A CORPORATION,  
*Respondent.*

---

**PETITION FOR WRIT OF CERTIORARI.**

---

*To the Honorable the Chief Justice and Associate Justices  
of the Supreme Court of the United States:*

Your petitioner, The Dow Chemical Company, prays that a writ of certiorari should issue to review the decree of the Circuit Court of Appeals for the Sixth Circuit entered December 17th, 1943 (R. 2051), petition for rehearing denied January 31, 1944 (R. 2077).

A certified transcript of the record in the case, including the proceedings in said Circuit Court of Appeals is furnished herewith in compliance with Rule 38 of the Rules of this Court.

**Summary Statement of the Matter Involved.**

This is a suit brought by petitioner against respondent for infringement of petitioner's Grebe and Sanford Patent No. 1,877,504 covering a method of treatment of deep wells to increase their production.

In the Trial Court several other patents were involved and were disposed of by parts of the decree from which no appeal was taken, so that this Grebe and Sanford patent was the only one in issue in the Circuit Court of Appeals. It held the patent invalid.

In the Trial Court (District Court for the Eastern District of Michigan) and in the Circuit Court of Appeals the question of infringement was vigorously contested, and a large part of the record relates to that issue. After a careful review of this voluminous evidence both Courts concurred in finding that the patent was infringed if valid, and under numerous precedents that factual matter is not open to further review here.

On the question of validity there is a direct conflict of determination between the Circuit Court of Appeals for the Sixth Circuit in this case and the Circuit Court of Appeals for the Tenth Circuit in the case of *Dow Chemical Company v. Williams Bros. Well Treating Corporation*, 81 Fed. 2d 495, in which case the same patent was held valid. (Certiorari denied, 298 U. S. 690.)

### **Jurisdiction.**

1. This is a suit arising under the Patent Laws of the United States, Judicial Code, Sec. 24 (7) (28 U. S. C. 41 (7)).

2. The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code, as amended by Act of February 13, 1925 (28 U. S. C., Sec. 347).

3. The date of the decree which the petitioner seeks to have reviewed is December 17, 1943. Petition for rehearing was denied January 31, 1944.

### **Questions Presented.**

The principal and we believe the sole question presented is the validity of the Grebe and Sanford Patent No. 1,877,504. The concurrent findings of fact on infringement render it unnecessary for this Court to reconsider that issue.

### **Reasons for Granting the Writ.**

The discretionary power of this Court to grant a writ of certiorari is invoked upon the ground of the direct disagreement between the Circuit Court of Appeals for the Sixth Circuit (R. 2052) and the Circuit Court of Appeals for the Tenth Circuit (81 Fed. 2d 495) as to the validity of the Grebe and Sanford patent.

In accordance with the thoroughly established practice of this Court, such a conflict between the decisions of two Circuit Courts of Appeals, particularly when coupled with the unusually great economic importance of the invention involved, constitute special and important reasons for the grant of the writ, as provided in Rule 38, 5-b of this Court.

As in almost all cases where a patent is twice litigated, there is additional evidence here, and as usual its importance is stressed in the opinion of the Court of Appeals for the Sixth Circuit. The additional evidence in the instant case is of no greater weight, however, than has been the new evidence presented in numerous cases in which this Court has issued the writ.

There is a fundamental difference between the two Courts of Appeals in their respective legal views as to the patent in suit. If the legal position taken by the Court of Appeals for the Tenth Circuit be endorsed then the new evidence either strengthens petitioner's case or it is ineffective to change the conclusion of that Court.

Not only is further litigation under the patent possible in the Tenth Circuit, but the invention in dispute is being constantly and widely employed in oil and gas fields located in other circuits, notably the Fifth and Seventh Circuits, where the patent has not been litigated, and the legal residence of many of the users undoubtedly can produce litigation in several additional circuits if the issue of validity be left open to further dispute.

WHEREFORE, it is respectfully submitted that this petition for a Writ of Certiorari to the Circuit Court of Appeals for the Sixth Circuit should be granted.

RUSSELL WILES,

WILBER OWEN,

*Counsel for Petitioner.*

CHRITTON, WILES, DAVIES, SCHROEDER & MERRIAM,

Board of Trade Building,

Chicago, Illinois,

OWEN & OWEN,

Nicholas Building,

Toledo, Ohio,

CALVIN A. CAMPBELL,

DON L. CONNER,

Midland, Michigan,

*Attorneys for Petitioner.*

## BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

### Opinions of the Courts Below.

The trial court rendered no formal opinion. The views of the court were expressed in connection with the disposition of findings of fact presented by the respective parties and appear in Volume III of the Record at pages 1435 to 1477.

The opinion of the Circuit Court of Appeals for the Sixth Circuit was filed December 17, 1943. It is reported in 139 Fed. (2d) 473 and in 60 U. S. P. Q. 90, and it appears in the record at page 2052, *et seq.*

### Jurisdiction.

The facts supporting the jurisdiction of this Court are set forth in the petition, *supra*, page 2.

Cases believed to sustain jurisdiction are—

*Diamond Rubber Co. v. Consolidated Tire Co.*,  
(1911) 220 U. S. 428, 436, 437.

*Permutit Co. v. Graver Corporation*, 284 U. S.  
(1931) 52.

*Cuno Engineering Corp. v. Automatic Devices Corp.*, (1941) 314 U. S. 84.

*Automatic Devices Corp. v. Sinko Tool & Manufacturing Co.*, (1941) 314 U. S. 94.

*The Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*, (1944) decided February 28, 1944, not yet reported.

### Statement of the Case.

The patent covers the first successful and practicable method of treating oil and gas wells with acid for the purpose of increasing their production. The process, commonly known as acidizing, was first used in an oil field near Midland, Michigan, home of The Dow Chemical Company, in the Spring of 1932, a few months before the patent was applied for. Its success in increasing the production of crude oil was so remarkable that an urgent and unsolicited demand for similar treatments soon arose throughout Michigan and other states where oil is produced from limestone formations, with the result that by the Fall of 1932 the business had grown to such proportions that petitioner found it necessary to organize a separate company (Dowell, Inc.) with its own officers and personnel to properly look after this rapidly growing business.

Increases of several hundred per cent have been common as a result of the use of the Grebe and Sanford process in both new and old oil and gas wells.

Hundreds of millions of barrels of crude oil and billions of cubic feet of gas already have been recovered as a direct result of the use of this process, the urgent need for which had existed ever since crude oil was first produced from limestone formations, nearly half a century before the date of the Grebe-Sanford invention.

### Argument.

Direct disagreement as to the validity of a patent between two Circuit Courts of Appeals has invariably led to a review by this Court.

In almost every case where a patent is litigated a second time after adjudication in one circuit, the party occupying the losing position in the prior litigation attempts to augment the proofs in the first case. If the presence of new evidence justified denial of the writ, practically no patent case would be reviewed by certiorari. A few well-known examples will adequately demonstrate this point.

In *Diamond Rubber Company v. Consolidated Rubber Tire Company*, 220 U. S. 428, plaintiff, who had previously lost in the Sixth Circuit, produced a vast amount of new evidence on a feature of operation of the tire concerning which the first record had little, if any, factual evidence.

In *Permutit Company v. Graver Corporation*, 284 U. S. 52, where a decree of invalidity was affirmed, there was a great deal of new evidence before the Courts in the Seventh Circuit which was not before the courts which had previously sustained the patent.

And in companion cases, *Cuno Engineering Corporation v. Automatic Devices Corporation*, 314 U. S. 84, and *Automatic Devices Corporation v. Sinko Tool and Manufacturing Company*, 314 U. S. 94, neither defendant included all of the prior art upon which the other relied.

The fact that additional evidence appears here, therefore, under the precedents does not justify a denial of the writ.

There is a fundamental difference of legal opinion between the two Courts which have passed upon the patent in suit. The Court of Appeals for the Tenth Circuit treated the invention as one which had greatly increased the re-



covery of oil and gas from underground deposits and one which had enormously added to the national wealth. This brought the invention within the group which has satisfied a long-felt want and, that Court, recognizing the advancement made by the patentees, therefore held it to be inventive.

The new evidence stressed by the Court of Appeals for the Sixth Circuit falls into a small number of classes.

First, the present record contains evidence of actual tests of a prior art process for acidizing oil wells to increase their production, the patent for which<sup>1</sup> was fully considered by the Tenth Circuit Court of Appeals and held insufficient to sustain the defense of lack of invention. The new evidence here relating to this prior process, the more controlling and conclusively proven portion of which was introduced by petitioner, shows that the process was thoroughly tested by eminent oil men in 1895-7 and that although it increased oil production in several wells it was completely abandoned and never again used. More than thirty years then elapsed before Grebe and Sanford made their invention, during which period there was grave fear of early oil exhaustion and the number of wells producing from limestone formations increased tremendously. Had these facts been presented to the Court of Appeals for the Tenth Circuit they would have strengthened plaintiff's case instead of weakening it. The failure of that early process to meet with commercial success and its abandonment by the very eminent men who owned the patent after adequate tests and considerable publicity as to their results strongly supports the conclusion of the Tenth Circuit Court of Appeals that the process was commercially impracticable. Knowledge of these facts naturally would have driven oil men away from a new process of the same general type rather than lead them to an attempt to resurrect an old abandoned process. For these reasons we believe that this

---

1. Frasch 556,669 March 17, 1896, R. 1935.

part of the new evidence is distinctly favorable to petitioner's case on the Tenth Circuit view of the law.

Secondly, the Sixth Circuit and the Tenth Circuit take diametrically opposite positions on the effect to be given certain operations of the Gypsy Oil Company. As to this matter, the evidence in the two cases is identical except for an additional deposition given by a witness who had testified in the Tenth Circuit case and who produced no additional records and testified that his memory was better when he gave his first deposition, and the deposition of an expert who testified from records in evidence in the Tenth Circuit case. Neither could nor did add anything factually new. The additional evidence on this subject is immaterial and would not have changed the view of the Court of Appeals for the Tenth Circuit in the slightest degree.

The third group of new evidence has to do with operations of a kind not disclosed by the prior art, but practiced by others after the Grebe and Sanford invention became well-known in an effort to get some of its benefits while avoiding the claims of the patent. This group of evidence is not prior art and is irrelevant. Had it been offered in the Tenth Circuit it could not have altered the conclusion that Grebe and Sanford completely and satisfactorily met an ancient and enormously important need.

The advance in the art described in the patent in suit is of overwhelming industrial importance. Few advances have added so much to our national wealth and our national resources. In this country the process is used almost universally in the oil and gas fields, the wells of which produce from limestone or dolomite formations. The process is responsible for a large part of the oil production coming from one-quarter to one-third of our producing wells.

H. C. Miller, Senior Petroleum Engineer with the United States Bureau of Mines at San Francisco, testified before

a Sub-Committee of the Committee on Interstate and Foreign Commerce of the House of Representatives at a hearing held in November, 1939, and that testimony is stipulated here. (R. 235 *et seq.*) His testimony was in part as follows:

"Almost every well drilled into a limestone formation is treated with hydrochloric acid at some time during its producing life. . . ."

"Acid treating has had a far reaching effect on the petroleum industry in that it has effected a complete change of attitude toward limestone production. . . ."

"Acid treatment of wells to increase the productivity and ultimate recovery of oil and gas is now generally accepted as standard production practice in Michigan, Kansas, Ohio, Illinois, Kentucky, Oklahoma, Texas and Louisiana, where oil is found in reservoirs of calcareous and dolomitic rock. . . ."

"The practice of acidizing wells has grown phenomenally in the past five years, and at present about 10,000 wells are treated annually, requiring approximately 25,000,000 gallons of acid. . . ."

Aside from the attempt, previously referred to, to commercialize the Frasch process in the Lima, Ohio, field during the period 1895 to 1897, the record fails to show a single instance where an oil well was treated with acid in an attempt to increase its production until the introduction of the Grebe-Sanford process in the Spring of 1932.

Few patents have ever been litigated whose subject-matter has created so much real wealth. Whether that subject-matter is or is not inventive must be determined mainly on legal grounds and as to those the two Courts of Appeals differ fundamentally.

Defendant-respondent adopted an ingenious method of avoiding an appearance of infringement and the record in the Trial Court and in the Circuit Court of Appeals was necessarily devoted in large measure to factual evidence that defendant actually employed the process of the patent

in suit. This was an entirely new issue not involved in the Tenth Circuit case where infringement was conceded.

On the new issue of infringement the District Court and the Court of Appeals for the Sixth Circuit agree entirely that defendant-respondent follows the teachings of the patent in suit and uses the claimed invention, if it be an invention at all. Under numerous precedents as to concurrent findings in the lower courts, it is not believed that this Court need review that point. The sole question which is open is whether or not the patent in suit displays invention or mechanical skill.

The instant case is one of a comparatively small group where invention must depend upon the long-felt want rule. It is a curious coincidence that although these cases are comparatively rare, this Court has but recently had before it another quite similar case, *Goodyear Tire & Rubber Company, et al v. Ray-O-Vac Company*, decided February 28, 1944. Petitioner's position which was accepted by the Tenth Circuit Court of Appeals is that the Grebe and Sanford Patent is fairly within this rule. The determination of that question should settle this controversy.

Respectfully submitted,

RUSSELL WILES.

WILBER OWEN,

*Counsel for Petitioner.*

CHRITTON, WILES, DAVIES, SCHROEDER & MERRIAM,

Board of Trade Building,  
Chicago, Illinois,

OWEN & OWEN,

Nicholas Building,  
Toledo, Ohio,

CALVIN A. CAMPBELL,

DON L. CONNER,

Midland, Michigan,

*Attorneys for Petitioner.*

April 4, 1944.